

County of McLean, Illinois

Popular Annual Financial Report

For the Fiscal Year Ended December 31, 2013



Submitted by:
Michelle L. Anderson,
McLean County Auditor

County of McLean, Illinois
POPULAR ANNUAL FINANCIAL REPORT
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December 31, 2013

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**Michelle L. Anderson**

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To the residents of McLean County:

For the third consecutive year, I am pleased to present McLean County's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2013, prepared by the Auditor's Office. This report provides a summary of the County's revenue, spending, and financial condition. The report also includes supplementary information on local economic conditions, major accomplishments by the County government, and other reference information for your usage in contacting your Board Members or individual County departments. My goal in producing this report is to communicate the County's financial operations in a straightforward and easy-to-read format so that you may obtain a better understanding of McLean County government.

The information in this report is derived from McLean County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2013, which was audited by Baker Tilly and received an unqualified (clean) opinion. The CAFR is a highly detailed financial report that is prepared in conformity with Generally Accepted Accounting Principles (GAAP). McLean County has received GFOA's Certificate of Achievement in Financial Reporting for the CAFR for 28 consecutive years. The financial schedules presented in the PAFR have been summarized and combined from assorted financial statements in the CAFR. The PAFR omits the financial statements on discretely presented component units and fiduciary funds, which are included in the CAFR. Anyone who is interested in reading the December 31, 2013 CAFR can find the report under the [Financial Reports](#) link on the County Auditor's website at www.mcleancountyil.gov/auditor. Copies of prior year CAFRs, PAFR, and Quarterly Financial Reports are also available through the link.

REPORT SUMMARY

This report is for your use in understanding the operations of McLean County government and is not intended to replace the CAFR. It is simply a means of increasing public confidence in the County government. It is an honor to serve as your Auditor and I encourage questions, concerns, or feedback as to the contents of this report or the operations of my office. Feel free to contact me at my office—309.888.5150, by e-mail michelle.anderson@mcleancountyil.gov, or by stopping in at my office in the Government Center—Room 402.

Respectfully submitted,

Michelle L. Anderson

McLean County Auditor

June 30, 2014

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to McLean County, Illinois for its Popular Annual Financial Report for the fiscal year ended December 31, 2012. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. McLean County, Illinois has received a Popular Award for the last two consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**County of McLean
Illinois**

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

A handwritten signature in black ink, reading "Jeffrey R. Enen". The signature is fluid and cursive.

Executive Director/CEO

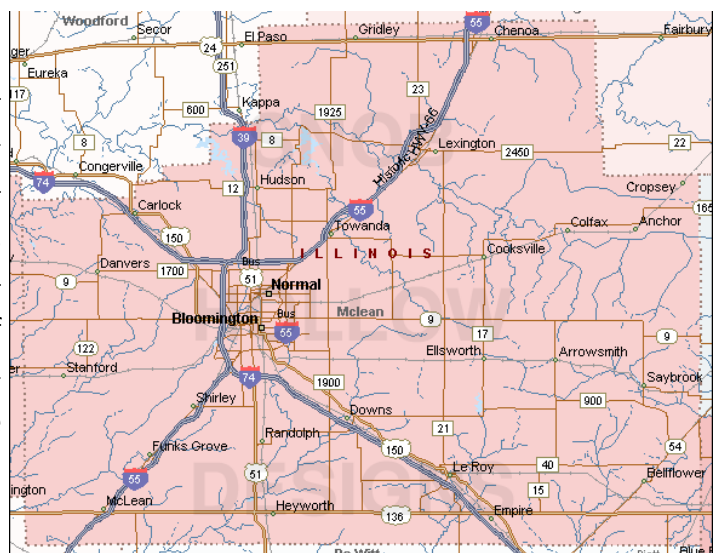
Profile of McLean County, Illinois

McLean County is located in central Illinois, situated very near the geographical center of the State of Illinois. In area, McLean County is the largest County in the State, comprising just over 1,100 square miles, making it similar in size to the State of Rhode Island in total land. McLean County recorded a population of 169,832 in the 2010 Census, making it one of the largest 15 counties in Illinois (out of 102). McLean County's highest concentration of population are the twin cities of Bloomington-Normal, with Bloomington serving as the County seat. McLean County was established on December 25, 1830, and was named in honor of John McLean, a twice elected United States Senator from Illinois. Before being established, it was part of Tazewell County.

The County operates under the County Board form of government according to the mandates of the State of Illinois, in addition to the eight independently elected County officials. The Board is comprised of a 20-member board, two representatives being elected from each of ten districts, and serving four-year terms. The Board is both the legislative policy maker and the supervisor of County Administration. The County Administrator is the chief administrative officer and prepares and recommends the annual budget, implements policies and procedures, manages daily operations, and oversees appointed departmental directors. The eight independently elected County officials are the Auditor, Clerk of the Circuit Court, Coroner, County Clerk/Recorder, Sheriff, State's Attorney, Regional Superintendent of Education, and Treasurer. The Regional Superintendent of Education is a component unit of the State of Illinois, as such, their financial information is not presented in this report. Elected officials serve four year terms.

The County provides a full range of services. This includes administration of justice and public safety, including the operation of a 221 bed adult detention facility and 26 bed juvenile detention facility, construction and maintenance of 368 miles of County roads and 88 bridges, administration of public health services and programs, operation of a 150 bed Nursing Home, operation of a 2,250 acre recreation area, collection of taxes for over 200 taxing districts, administration of elections, and general administrative services. For additional information about County departments and the vital services that the County provides for its citizens and businesses, visit the County's website at <http://www.mcleancountyil.gov>. McLean County operates with just over 800 full-time equivalent employees, with roughly half of those being employed within a public safety function. McLean County's assessed value of taxable property was \$3,978,497,132 for 2013.

Major accomplishments for McLean County in 2013 can be found on page 12.

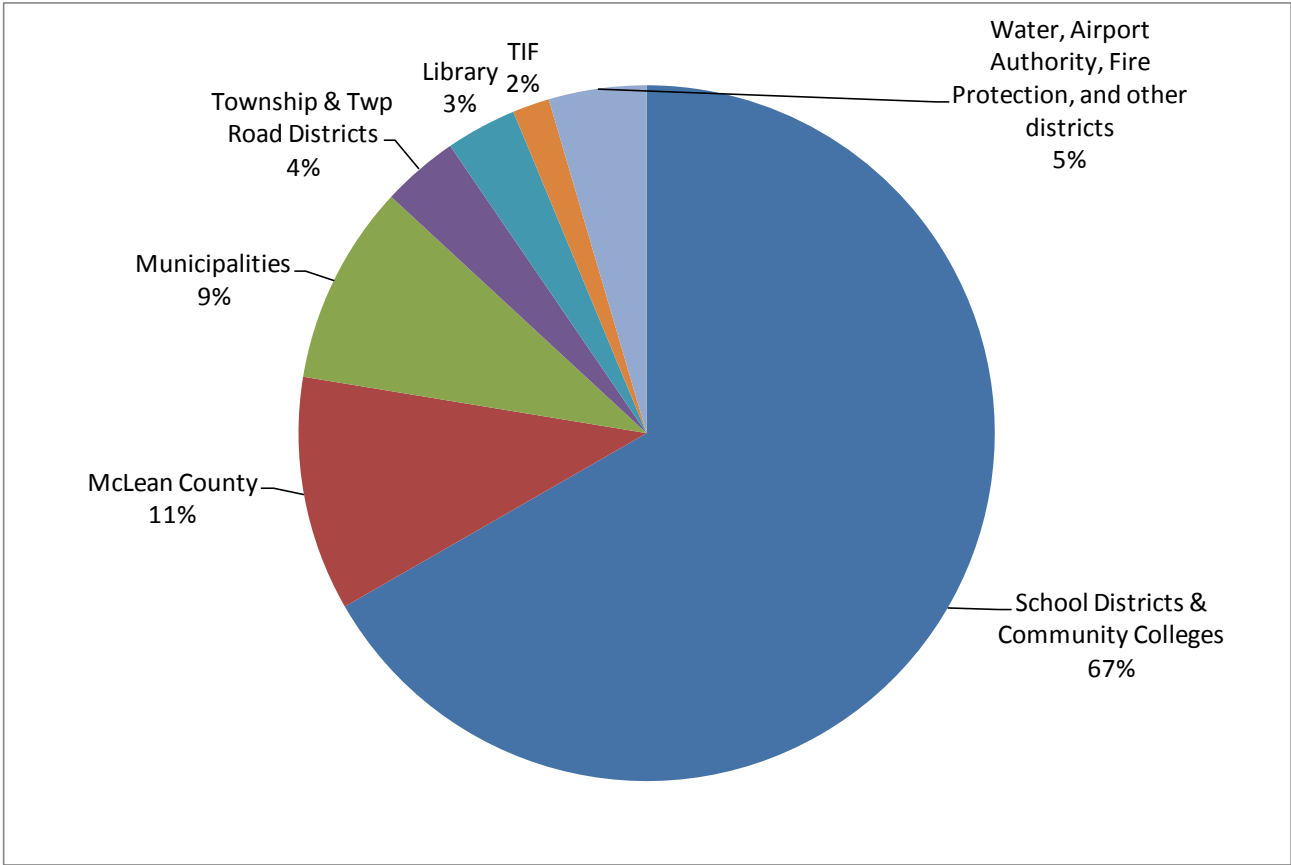


Property Taxes—Where do your property taxes go?

Where do your property taxes go? While the County issues property tax bills each year and is responsible for collecting the payments, only a small portion is retained by the County. The vast majority of property taxes are remitted to other governmental agencies within McLean County. There are over 200 taxing districts located, at least partially, within McLean County. Depending on the location of a real estate parcel, property taxes for that parcel will be collected for a combination of separate taxing districts.

The following is a chart that presents the breakout by governmental type for a typical tax bill. The chart is for illustrative purposes only, based on an average of all tax bills in McLean County. As noted above, each real estate parcel pays property taxes to a varying combination of taxing districts, based on location, and the actual breakout will vary.

Property Taxes—Breakout by Governmental Type



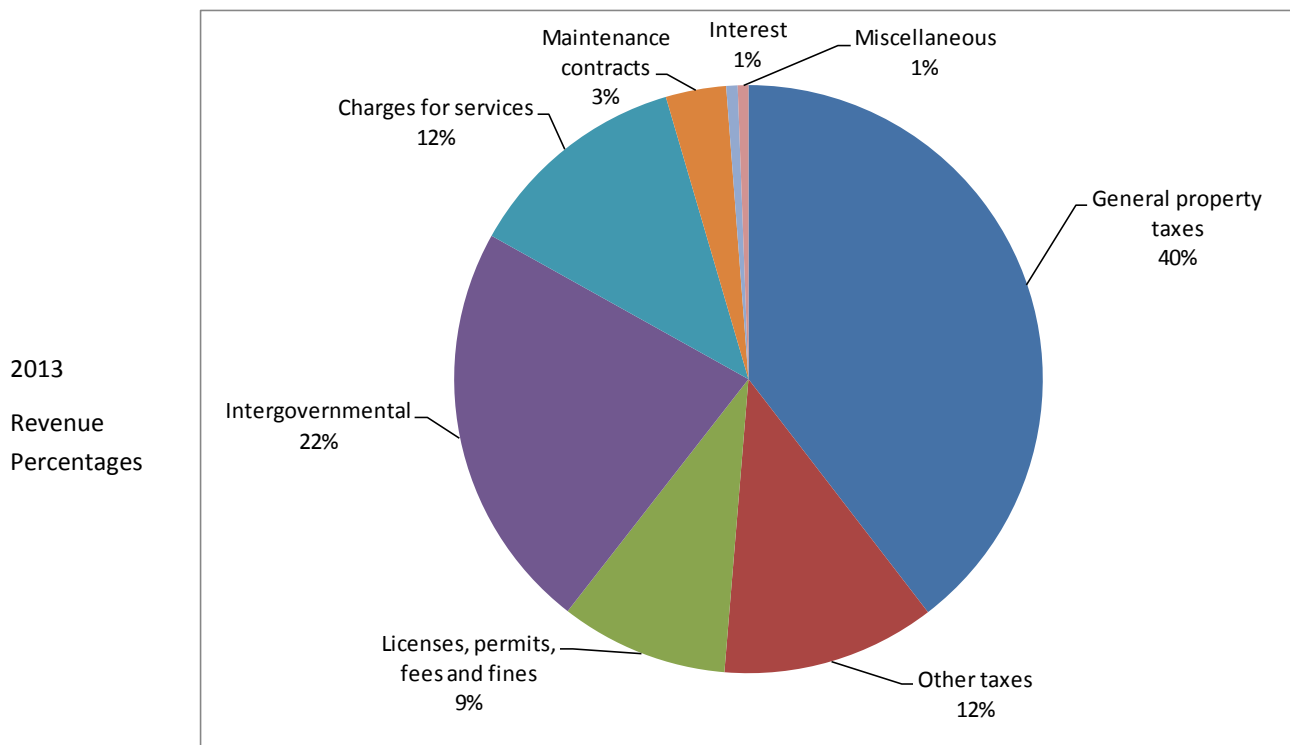
As shown in the chart above, the largest component of a typical tax bill goes to school districts and community colleges.

This PAFR presents an overview of McLean County’s finances only. The other governmental districts shown above are separate legal entities and operate independent of McLean County. Therefore, in order to determine how your property taxes are spent by each district that you pay taxes to, you would need to separately review financial reports for each district.

Revenues—Where does the Money Come From?

McLean County receives its funding from a variety of sources, with property taxes being the largest source of that funding. The following table and chart shows the revenue to governmental funds by source for fiscal year ended December 31, 2013.

McLean County	Governmental Funds - Revenues					
Revenue Source	General Fund	Other Governmental Funds	Total	% of Total	2012 Total	2012 % of Total
General property taxes	\$ 11,536,126	\$ 21,173,584	\$ 32,709,710	40.26%	\$ 33,160,995	40.81%
Other taxes	9,616,176	95,683	9,711,859	11.95%	9,444,766	11.62%
Licenses, permits, fees and fines	5,038,125	2,591,620	7,629,745	9.39%	7,503,569	9.23%
Intergovernmental	4,552,611	14,113,419	18,666,030	22.97%	17,854,608	21.97%
Charges for services	8,442,846	1,779,139	10,221,985	12.58%	9,755,007	12.01%
Maintenance contracts	2,745,792	-	2,745,792	3.38%	2,807,921	3.46%
Interest	512,158	4,778	516,936	0.64%	602,642	0.74%
Miscellaneous	364,606	119,892	484,498	0.60%	125,068	0.15%
	\$ 42,808,440	\$ 39,878,115	\$ 82,686,555	101.76%	\$ 81,254,576	100.00%

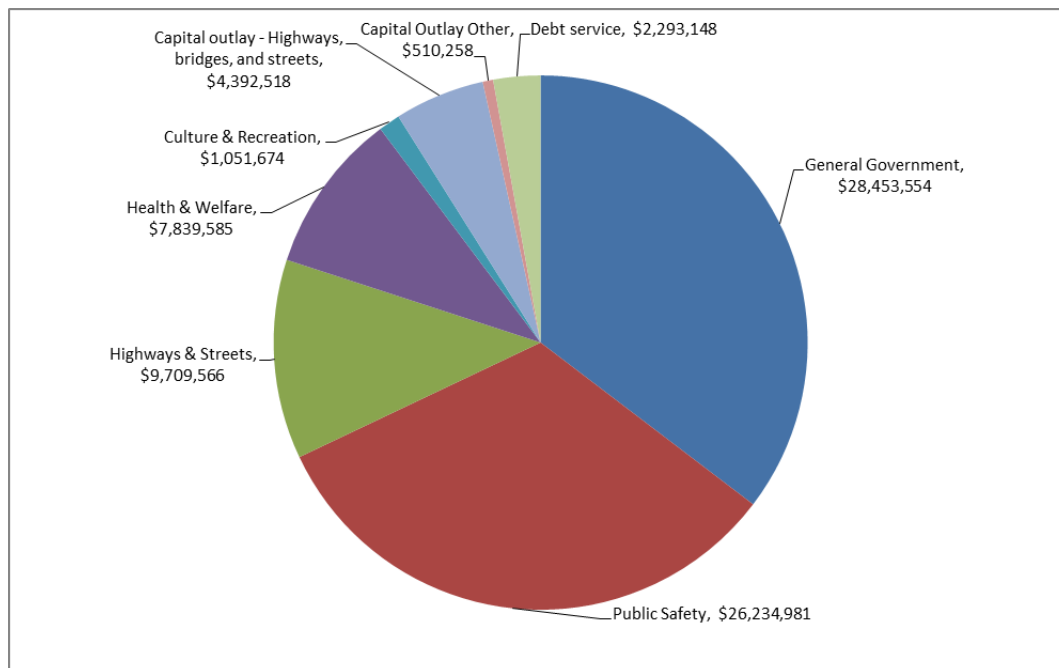


General property taxes represent a tax on all real estate within McLean County. Property taxes are considered to be a general revenue source, meaning it is available to fund all programs of the County. **Other taxes** includes the County's portion of State Income Tax, Personal Property Replacement Tax, and Retailers Occupation Tax. **Licenses, permits, fees and fines** represent amounts received by the County for licenses/permits, as well as fines and fees due from citizens. **Intergovernmental** includes grants and other revenues received from the State of Illinois, and various other governmental agencies; as well as the County's portion of motor fuel tax. **Charges for services** represents fees paid by individuals, businesses, or other governments who use, purchase, or directly benefit from goods or services provided by the County. **Maintenance contracts** represent reimbursements on a lease with the Public Building Commission. **Interest** represents interest earned on the County's cash and investments. **Miscellaneous** represents revenues received by the County that do not fall into one of the designated categories above.

Expenditures—Where does the money go?

For fiscal year ended December 31, 2013, McLean County's largest expenditures came out of the General Government function (35.35%) and the Public Safety function (32.60%). Expenditures by function have not

Governmental Funds - Expenditures by function						
Expenditures	General Fund	Other Governmental Funds	Total	% of Total	2012 Total	2012 % of Total
Current:						
General Government	\$ 19,468,490	\$ 8,985,064	\$ 28,453,554	35.35%	\$ 26,736,684	34.31%
Public Safety	21,095,470	5,139,511	26,234,981	32.60%	25,425,873	32.63%
Highways & Streets	-	9,709,566	9,709,566	12.06%	9,212,660	11.82%
Health & Welfare	-	7,839,585	7,839,585	9.74%	7,443,894	9.55%
Culture & Recreation	447,157	604,517	1,051,674	1.31%	1,030,378	1.32%
Capital outlay - Highways, bridges	-	4,392,518	4,392,518	5.46%	4,792,103	6.15%
Capital Outlay Other	99,787	410,471	510,258	0.63%	979,193	1.26%
Debt service	166,471	2,126,677	2,293,148	2.85%	2,303,293	2.96%
	\$ 41,277,375	\$ 39,207,909	\$ 80,485,284	100.00%	\$ 77,924,078	100.00%

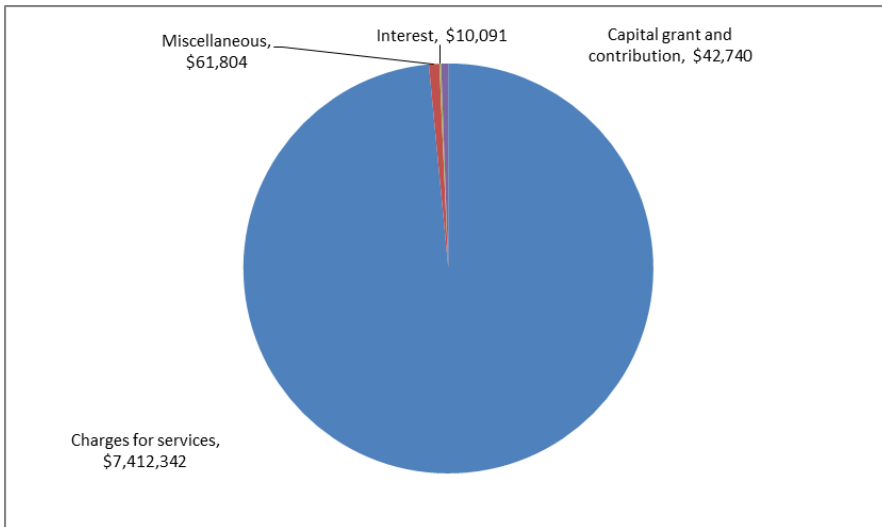


Expenditures for McLean County include the following expenditure functions: **General Government** expenditures incurred for administrative offices such as County Board, Administration, Auditor, County Clerk, Treasurer, Information Technology, Facilities Management, Employee Benefits (including social security and IMRF), and Tort Judgment. **Public Safety** expenditures incurred for public safety offices such as Sheriff, State's Attorney, Coroner, Circuit Clerk, Court Services, and Metcom. **Highway and streets** expenditures incurred for our Highway Departments non-capital expenditures. **Health and welfare** expenditures incurred for our various Health Department programs/funds. **Culture and recreation** expenditures incurred for operation of the County Park (COMLARA), as well as property tax payments to History Museum and Co-operative Extension. **Capital Outlay—Highways, bridges, and streets** expenditures incurred for the acquisition of right-of-way, engineering, and construction of infrastructure maintained by the Highway Department. **Capital Outlay—Other** expenditures incurred for capital outlay other than for highway infrastructure. **Debt service** expenditures incurred for capital leases entered into by the County for copiers, other projects, and, debt on County buildings held by the Public Building Commission of McLean County.

Enterprise Fund

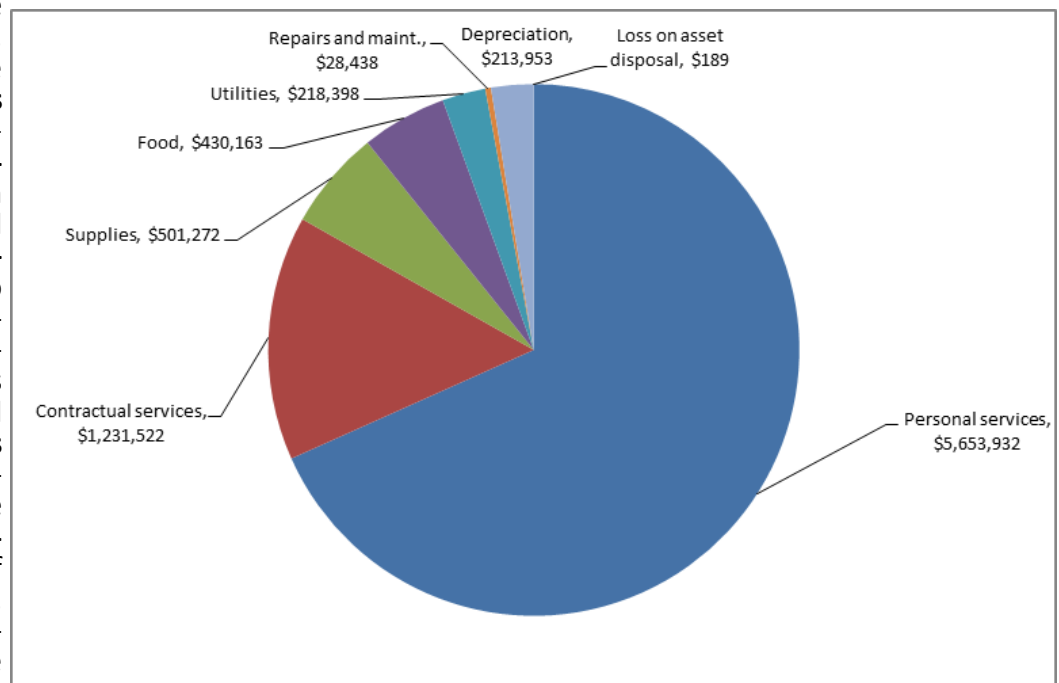
McLean County maintains one enterprise fund, for the McLean County Nursing Home. An enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business.

Revenue Source



An overwhelming majority of revenues come from charges for services (over 98%). Revenues are comprised of the following sources: **Charges for Services** include payments from private pay residents, as well as public aid payments. **Interest** includes amounts earned on cash and investments. **Capital grants and contributions** includes an energy efficiency grant and contributions. **Miscellaneous** includes revenues not fitting into another category.

A majority of the expenses come from personal services (68%). Expenses are comprised of the following lines: **Personal services** include payroll and payroll related benefits. **Contractual services** includes amounts paid on contractual agreements entered into by the Nursing Home. **Supplies** includes supplies needed to operate the facility. **Food** includes food for meals of residents. **Utilities** includes utilities (water, electricity, etc) needed to operate the facility. **Repairs and maintenance** includes repairs and general maintenance done on the facility. **Depreciation** represents the amount of depreciation on capital assets. **Loss on asset disposal** represents the loss taken when the Nursing Home disposed of assets.



Statement of Net Position

McLean County's Net Position as of December 31, 2013					
		Governmental	Enterprise	Total Primary	
		Activities	Fund	Government	
Current and other assets	\$	72,989,253	\$ 10,357,511	\$ 83,346,764	
Capital assets		115,615,170	998,237	116,613,407	
Total assets		188,604,423	11,355,748	199,960,171	
Current and other liabilities		7,566,875	463,654	8,030,529	
Long-term liabilities		8,704,889	276,018	8,980,907	
Total liabilities		16,271,764	739,672	17,011,436	
Deferred Inflows of Resources					
Unavailable revenue - property taxes		32,371,510	-	32,371,510	
Net position:					
Net investment in capital assets		110,754,012	996,840	111,750,852	
Restricted for:					
Operations		803,500	-	803,500	
Health and wellness		4,754,598	-	4,754,598	
Highway		10,300,398	-	10,300,398	
Employee benefits		918,705	-	918,705	
Public safety		1,515,693	-	1,515,693	
Debt service		162,943	-	162,943	
Culture and recreation		25,143	-	25,143	
Capital improvements		486	-	486	
Unrestricted		10,725,671	9,619,236	20,344,907	
Total net position	\$	139,961,149	\$ 10,616,076	\$ 150,577,225	

Current and other assets—Assets that a company can reasonably expect to convert to cash, sell, or consume within one year.

Capital assets— The County's long-term investments in infrastructure (buildings, highways, bridges) and other capital assets. These assets are used by McLean County to provide services to citizens, thus these assets are not available for future spending.

Current and other liabilities—This includes debt that can be paid off in one year or less. This debt includes accounts payable, accrued interest, claims payable, and unearned revenue.

Long-term liabilities—This debt includes capital leases (for debt to the Public Building Commission) and long term portions of post employment benefits.

Deferred inflows of resources —This represents the receivable reported for the property taxes levied for 2013, but, not collectable until 2014.

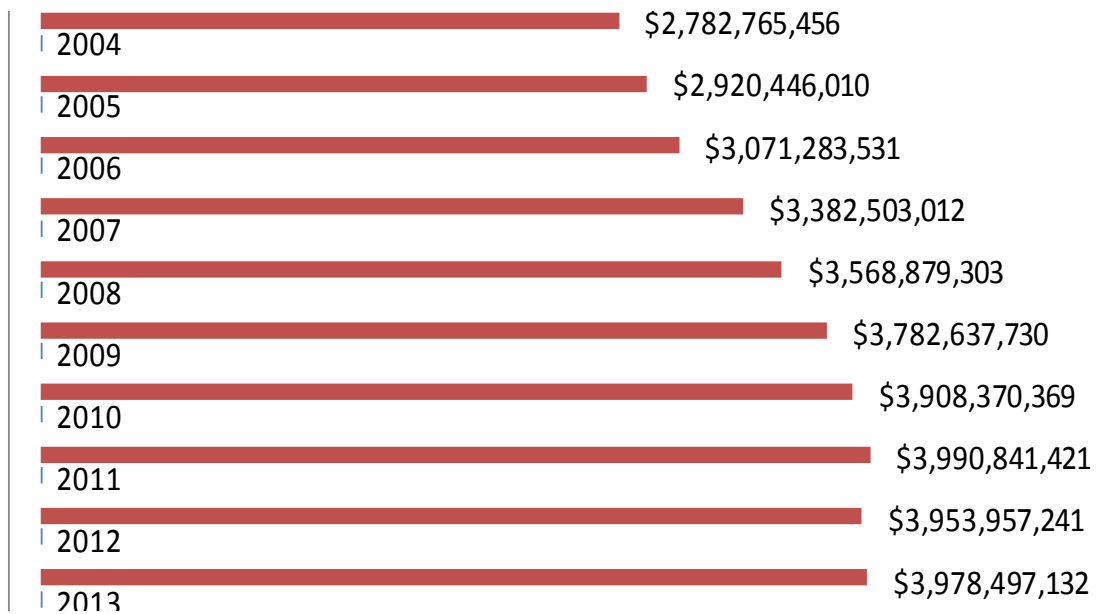
Net investment in capital assets—This represents the County's investments in capital assets less any related outstanding debt used to acquire those assets. One should bear in mind that other sources are needed to repay the debt, since the capital assets themselves cannot be used to settle these liabilities.

Restricted —This represents resources that are subject to external restrictions, for the reason listed above.

Unrestricted —This represents the accessible resources to the County in order to provide services to the citizens of McLean County if no additional revenue or resources were available.

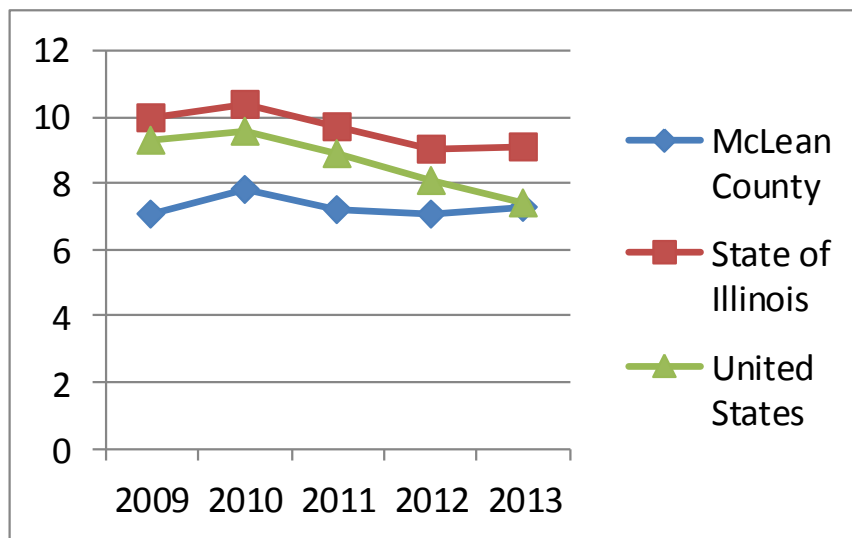
Economic Outlook

Assessed Value—Taxable Property



After suffering its first decline since 1985 back in 2012, assessed value of taxable property within McLean County increased slightly in 2013. Property is assessed by the McLean County Supervisor of Assessments at 33 1/3% of fair market value. With the slight increase, the assessed valuation for the County has increased approximately 4.3% per year, over the last ten years. Over the last year, the County's assessed value increased by 0.62% to \$3,978,497,132.

Unemployment



Strong economic growth has historically created a low unemployment rate for McLean County. Even during tough economic times, comparisons to state and national unemployment rates support the claims that McLean County is a financially strong, vibrant community to live in.

Economic Outlook (continued)



McLean County is home to two major universities, Illinois State University and Illinois Wesleyan University. Graduates of ISU and IWU often stay in the area due to a favorable economic outlook and jobs in the area. Insurance is a key employer field in McLean County, as it is home to both State Farm Insurance and Country Financial.



Principal Employers in McLean County

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of the Total County Employment</u>
State Farm Insurance Companies	14,935	1	17.70%
Illinois State University	3,251	2	3.85%
Country Insurance & Financial Services	1,955	3	2.32%
Unit 5 School District	1,674	4	1.98%
Advocate BroMenn Healthcare	1,347	5	1.60%
Mitsubishi Motor Manufacturing	1,294	6	1.53%
OSF St. Joseph Medical Center	1,028	7	1.22%
McLean County	806	8	0.96%
District 87 Schools	700	9	0.83%
Afni, Inc.	700	10	0.83%
Chestnut Health Systems	605	11	0.72%
City of Bloomington	581	12	0.69%
Bridgestone/Firestone Off-Road Tire Co.	514	13	0.61%
Heartland Community College	500	14	0.59%
Heritage Enterprises	478	15	0.57%



McLean County has an Aa1 rating with Moody's rating agency. By having a strong rating, the County is able to issue debt at lower interest rates.

Major Accomplishments for McLean County—2013

McLean County Auditor Michelle L. Anderson and McLean County Treasurer Becky McNeil were awarded the prestigious Government Finance Officers Association Certificate of Achievement for their Comprehensive Annual Financial Report. The award, for fiscal year ended December 31, 2012 marks the 28th consecutive year McLean County has received this recognition.



In October 2013, Moody's Investors Service upgraded McLean County's rating to Aa1 (from Aa2). The improved rating allows the County to issue debt at a lower interest rate. The improved rating was due to the County's well-managed financial operations supported by healthy reserves, as well as our strong and stable local economy.

The Illinois Criminal Justice Information Authority awarded Violence Against Women Act Services-Training-Officers-Prosecutors grant funding for the Domestic Violence Multidisciplinary Team for the 10th year in a row in 2013. This team, made up of the Mid-Central Community Action's Countering Domestic Violence Program, McLean County Court Services, Bloomington Police Department, McLean County Sheriff's Office, and McLean County State's Attorney's Office work together to provide a coordinated community response to domestic violence. Data collected for calendar year 2013 show that in McLean County there were:

- 790 victims served by grant funded victim advocates;
- 378 victims were assisted with Emergency Orders of Protection and 248 with Plenary Orders of Protection by grant funded victim advocates;
- 2341 domestic-related offenses reported to grantee law enforcement agencies;
- 686 domestic-related arrests by grantee law enforcement agencies;
- 660 domestic-related misdemeanor charges filed;
- 207 domestic-related felony charges filed; and
- 136 offenders receiving specialized domestic violence probation services.

McLean County Elected Officials

County Wide Elected Officials

<u>Office/Name</u>	<u>Term Expires</u>	<u>Office/Name</u>	<u>Term Expires</u>
Auditor		Sheriff	
Michelle L. Anderson	December 2016	Mike Emery	December 2014
Circuit Clerk		State's Attorney	
Don Everhart	December 2016	Jason Chambers	December 2016
Coroner		Reg. Supt. Of Education	
Beth Kimmerling	December 2016	Mark Jontry	December 2014
County Clerk/Recorder		Treasurer	
Kathy Michael	December 2014	Rebecca C. McNeil	December 2014

County Board Members

<u>District/Name</u>	<u>Term Expires</u>	<u>District/Name</u>	<u>Term Expires</u>
District 1		District 6	
Don Cavallini	December 2014	George Gordon	December 2016
Stan Hoselton	December 2016	Laurie Wollrab	December 2014
District 2		District 7	
Jim Soeldner	December 2014	Richard Buchanan	December 2014
Matt Sorensen	December 2016	Victoria F. Harris	December 2016
District 3		District 8	
Julie J. Brandt	December 2014	Paul R. Segobiano	December 2014
George O. Wendt	December 2016	Carlo Robustelli	December 2016
District 4		District 9	
William T. Caisley	December 2016	Erik Rankin	December 2014
Sally K. Pyne	December 2014	Susan Schafer	December 2016
District 5		District 10	
John McIntyre	December 2016	Benjamin Owens	December 2016
Sonny O'Connor	December 2014	Chuck Erickson	December 2014

Reference Information:

Website:

<http://www.mcleancountyil.gov>

Phone Directory for County Offices:

Administration/Board	309-888-5110
Auditor	309-888-5150
Building & Zoning	309-888-5160
Child Advocacy Center	309-888-5656
Circuit Clerk	309-888-5301
Circuit Court (Judicial)	309-434-6650
Coroner	309-888-5210
County Clerk/Recorder	309-888-5190
Court Services (Probation)	309-888-5360
Emergency Management Agency	309-888-5020
Facilities Management	309-888-5192
Health Department	309-888-5450
Highway Department	309-663-9445
Information Technologies	309-888-5100
Jury Commission	309-888-5241
Nursing Home	309-888-5380
Parks & Recreation	309-434-6770
Public Defender	309-888-5235
Sheriff (including Detention Facility)	309-888-5034
State's Attorney	309-888-5400
Supervisor of Assessments	309-888-5130
Treasurer	309-888-5180
Veterans Assistance	309-888-5140